

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7135

BILL NUMBER: HB 1262

NOTE PREPARED: Jan 19, 2007

BILL AMENDED:

SUBJECT: BMV Administration by Secretary of State.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill: (1) provides that the Secretary of State, by virtue of office, is the Commissioner of the Bureau of Motor Vehicles (BMV); (2) abolishes the Bureau of Motor Vehicles Commission (BMVC); (3) transfers all the BMVC's powers, duties, and functions to the BMV; and (4) transfers all the BMVC's appropriations records and real and personal property to the BMV.

Effective Date: June 30, 2007; July 1, 2007.

Explanation of State Expenditures: The transfer of the BMV and the statutory transfer of various functions and responsibilities to the Secretary of State will not necessarily represent a fiscal impact to the state. Any costs that might be incurred from a physical relocation of offices or any expenditures that could be reduced because of operational efficiencies will depend upon administrative actions. The funds affected are the state General Fund, which supports the Secretary of State; the Motor Vehicle Highway Account, which supports the BMV; and the state License Branch Fund, which supports the BMVC and the operation of the state's license branches throughout the state.

Background Information: The Chief Financial Officer of the BMV reports that the BMVC uses the same fringe benefit calculation as state employees, although they have a different pay plan. Copies of both the 2007 BMVC Pay Plan and the 2007 State of Indiana Pay Plan are available in the Office of Fiscal and Management Analysis. Beginning January 2007, the BMVC earns vacation leave which must be used within the year and paid time off (PTO). They also earn holidays. In addition, the BMVC employees are now eligible for the Disability Program state employees utilize. For FY 2007, the BMVC has a total of 2,181 positions, of which 1,589 are full-time positions, 462 are part-time positions, and 130 are vacant positions, which include both full-time and part-time.

Following is a table which shows the appropriations and expenditures for the BMVC for the last four years, and the amount requested by the BMVC for FY 2008 and FY 2009.

Bureau of Motor Vehicles Commission Appropriations and Expenditures						
	FY 2004	FY 2005	FY 2006	FY 2007*	FY 2008**	FY 2009**
Appropriation	\$70.9 M	\$70.9 M	\$84.2 M	\$84.2 M	\$80.1 M	\$80.1 M
Expenditures	\$71.9 M	\$79.3 M	\$75.7 M	\$79.2 M		
Difference	-\$1.0 M	-\$8.4 M	\$8.5 M	\$5.0 M		
*Estimate for expense, actual for appropriation. **Request and Recommended.						

With the abolition of the BMVC, the state will realize a small savings from the payment for the four BMVC members. Currently, the Commissioner of the BMV chairs the BMVC, but receives no per diem or mileage reimbursement. During FY 2006, the BMVC had two Commissioners claim mileage and per diem. For the two of them, the BMVC paid \$1,392, which includes both the per diem at \$50 per meeting (once per quarter) and mileage.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Secretary of State; Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

Local Agencies Affected:

Information Sources: State Budget; Bureau of Motor Vehicles Commission expenditure data; Monte Combs, Chief Financial Officer of the Bureau of Motor Vehicles, 317-233-2498; Joyce Crull, Director of Human Resources, Bureau of Motor Vehicles, 317-232-2594.

Fiscal Analyst: James Sperlik, 317-232-9866.